

*“Accountability for Defense Contractors Act” Closes the Negligence Loophole, Restores Congressional Oversight to Secretive War Contracting Process*

Washington, DC – Today, Reps. Earl Blumenauer and Kurt Schrader and Sens. Ron Wyden and Jeff Merkley introduced bipartisan legislation to restore oversight and accountability to the secretive war contracting process ( [view the bill text](#) or [one page summary](#) [PDF]). The push comes in the wake of revelations that war contractor KBR, which allegedly exposed Oregon National Guardsmen to a cancer-causing chemical in Iraq, secured a secret clause in its contract with the Army that may put taxpayers on the hook for damages.

“Our war contracting process does too little to ensure that contractors act with the best interests of our troops and taxpayers in mind, and we’re going to change that,” **said Blumenauer**. “Companies that engage in the kind of appalling negligence that has been alleged in the KBR case should not receive a bailout in exchange for their mistakes. If you endanger our troops, you must pay the price, period. That is why we are introducing this important legislation to restore oversight and accountability to war contracting.”

“We have a lifelong responsibility to ensure the health and safety of our brave men and women overseas and here at home,” **said Schrader**. “That KBR has been able to drag out the lawsuit Oregon Guardsmen filed for exposure to hexavalent chromium in Iraq while protecting KBR contracts has added insult to grave injuries. I am proud the Oregon delegation has been able to work together and introduce legislation to increase accountability for military contracts in warzones by requiring reports on the presence of unusually hazardous or nuclear risks and explicitly excluding indemnification for government claims against a military contractor, gross negligence, willful misconduct, or lack of good faith on the part of the contractor.”

“Our government shouldn’t shield contractors when they recklessly put our service members’ lives at risk,” **said Wyden**. “As we saw happen to Oregon troops at Qarmat Ali, Iraq, not holding contractors accountable for gross negligence sends the message that it’s okay to fail our troops. This bill will ensure that contractors, and not taxpayers, will pay for any negligence, and give those who put their lives on the line for our country some much-needed legal protection.”

“Private contractors need to be held accountable when their actions harm American troops,” **said Merkley**

. “Oregon National Guardsmen and women were exposed to toxic chemicals on KBR’s watch. No government contract should put taxpayers on the hook for the misdeeds of war contractors.”

The legislation comes in response to a lawsuit against KBR by 26 Oregon veterans over their exposure to cancer-causing hexavalent chromium at Qarmat Ali, a KBR facility in Iraq. During the course of the lawsuit, it became apparent that KBR had secured a clause in its contract that could put taxpayers – and not the company – on the hook for potentially massive damages, health and court costs. A federal judge in Portland ruled against KBR earlier this month, denying the attempts to have the case dismissed and finding the allegations are grounded in substantial evidence. Similar cases against KBR have been filed by current and former National Guard members from Indiana and West Virginia.

The Accountability for Defense Contractors Act will:

- **Require Congressional notification** in all cases where the government accepts liability on behalf of a contractor in excess of \$1,000,000.
  
- **Close the “negligence loophole,”** by revoking indemnification for harm caused by a defense contractor’s own gross negligence or misconduct.
  
- **Prevent “indemnification-creep”** by clarifying that a defense contractor is only indemnified for the hazards named in the contract, and must report additional hazards immediately.